

Below is an Order of the Court.

  
ELIZABETH PERRIS  
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF OREGON

In re ) Case No. 09-34880-elp11  
)  
Teufel Nursery, Inc., ) FINAL ORDER AUTHORIZING  
) USE OF CASH COLLATERAL  
Debtor-in-Possession.)

THIS MATTER came before the Court on August 25, 2009 on the motion of Debtor-in-Possession, Teufel Nursery, Inc. ("Debtor"), for authority to use cash collateral, due and adequate notice under the circumstances having been given, and the objection of the Secured Party (Textron Financial Corporation) to use of the requested cash collateral having been settled between the parties, and the Court otherwise being fully advised,

The Court finds:

- A. Debtor will suffer immediate and irreparable harm if it is not permitted to use up to \$2,383,183.00 of Cash Collateral for the period from August 30, 2009 through and including September 28, 2009.
- B. The following creditor, ("Textron Financial Corporation"), asserts security

interest/liens upon the Cash Collateral as the petition date:

Textron Financial Corporation, fka Systran Financial Services Corporation	\$5,483,024.20
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NOW, THEREFORE, it is ORDERED as follows:

1. Debtor is authorized to use Cash Collateral of \$2,383,183.00 for the period from August 30, 2009 through and including September 28, 2009 in accordance with the attached Budget (Exhibit 1). Debtor's authority to use Cash Collateral is limited to the cumulative amounts and uses of cash collateral as set forth in the Budget; provided, however, that (a) apart from payroll and payroll taxes, the amounts set forth in the Budget shall be sufficient to make the payments set forth in the Budget as well as any expenses incurred and not paid during the Cash Collateral Period, together with a 10% variance.
2. As adequate protection, Textron Financial Corporation is granted a replacement lien upon all postpetition assets of the Debtor which are of the identical description to its prepetition collateral.
3. Debtor shall, starting with the weekly report provided to Textron for the week commencing August 23, 2009, provide a disclosure in the weekly report of accrued unpaid obligations, excluding payroll.
4. Debtor shall provide Textron Financial Corporation with the same reports as provided to Textron Financial Corporation pre-petition (except on a weekly rather than daily basis) in the same format as were provided pre-petition, including, but not limited to, borrowing base certificates, a/r aging reports, and the CIP Report (CIP Reports to be monthly only). Reports

shall be provided each Tuesday by close of business for all activity through the prior Saturday. In addition, Debtor shall provide to Textron Financial Corporation its Monthly Operating Reports filed with the United States Trustee. The weekly operating reports shall compare the actual revenue, sales and expenditures to the budgeted revenue, sales and expenditures.

5. In the event Textron Financial Corporation determines that it is not adequately protected, Textron Financial Corporation can seek to terminate cash collateral usage on shortened time, but not less than three business days notice of the motion shall be provided to Debtor, the U.S. Trustee and the Creditor's Committee (if any) prior to any hearing thereon. While Debtor agrees that it shall not oppose any order shortening time sought by Textron Financial Corporation (so long as not less than three business days notice is provided), Debtor reserves all of its rights to oppose any such application. Textron Financial Corporation agrees that in the event the Debtor's right to use cash collateral is terminated, that Textron Financial Corporation will allow use of its cash collateral to pay all accrued payroll and associated benefits and taxes to pay and any fees owing to the U.S. Trustee.
6. If, notwithstanding the adequate protection provided by the terms of this Order, Textron Financial Corporation has a claim allowable under 11 U.S.C. § 507(a)(2) arising from the stay of action against property of Debtor under 11 U.S.C. § 362, from the use, sale or lease of such property under 11 U.S.C. § 363, or from the granting of the replacement

lien granted herein, then such creditor's claim under 11 U.S.C. § 507(a)(2) shall have priority over every other claim under such subsection as provided by 11 U.S.C. § 507(b).

7. Nothing in this Order shall be construed to (a) prejudice a right of any party in interest (including Debtor) to contest the validity, priority or extent of the liens or security interests of any party in any collateral or in the proceeds thereof, as of, on or after the Petition Date; (b) grant a security interest in the debtor-in-possession or trustee's avoidance powers; (c) convert any pre-petition obligations into post-petition obligations; (d) require payment of any obligations on confirmation of a plan of reorganization; (e) alter, improve, limit or impair the rights, if any, of parties claiming to have rights of reclamation against Debtor, or its assets or (f) enhance the secured position of any creditor as of the Petition Date.
8. Debtor is authorized to execute and deliver to Textron Financial Corporation such instruments considered by Textron Financial Corporation to be necessary or desirable to perfect the security interests and liens given to Textron Financial Corporation herein, and Textron Financial Corporation is authorized to receive, file and record the same.
9. Nothing contained in this Order shall constitute a determination as to the amount, validity or priority of any pre-petition obligation, security interest or lien and all rights or parties in interest to claim that any pre-petition lien or security interest in Debtor's property is unperfected, unenforceable, invalid or voidable, are reserved. Additionally, nothing in this Order shall constitute an admission or acknowledgment by Debtor that any party has

a valid or perfected lien in the cash of Debtor now existing or subsequently received, and the references herein to "Cash Collateral" is without prejudice to all rights, defenses and claims of Debtor to contend that any party does not have a perfected lien or security interest in such cash.

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**PRESENTED BY:**

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TEUFEL NURSERY, INC  
28 DAY BUDGET

WEEK	31-Aug	7-Sep	14-Sep	21-Sep	Total
<b>CASH REQUIREMENTS</b>					
UTILITIES, RENTS	5,000	10,000	5,000	10,000	30,000
EFT	48,969	12,242	5,453	7,519	74,183
CREDIT CARDS		15,000		15,000	30,000
PLANTS	105,000	65,000	105,000	65,000	340,000
EMPLOYEE BENEFITS	3,500		70,500		74,000
JUNE PREMIUM					0
FUEL	25,000	5,000	16,000	5,000	51,000
APPRAISAL FEE					0
SALES TAX				58,000	58,000
PAYROLL	15,000	406,000	15,000	406,000	842,000
PAYROLL TAXES		92,000		92,000	184,000
PROFESSIONALS					0
MISC VENDOR	150,000	200,000	150,000	200,000	700,000
					0
	352,469	805,242	366,953	858,519	2,383,183
<b>CASH SOURCES</b>					
BEGINNING BAL	42,055	334,283	173,738	509,045	
ADJUSTED RECEIPTS					
RECEIPTS	644,697	644,697	702,260	702,260	
CASH AVAILABLE	686,752	978,980	875,998	1,211,305	
ENDING BAL	334,283	173,738	509,045	352,786	